

# Japan's SMEs Uphold Tradition Amid Global Challenges

Japan's bustling manufacturing sector continues today to be characterized by a blend of ancient craftsmanship and modern innovation. This unique fusion, known as *monozukuri*, encapsulates the essence of the Japanese manufacturing philosophy — a commitment to excellence, precision, and continuous improvement.

Amidst the challenges of globalization, technological shifts, and economic fluctuations, Japanese small and medium-sized enterprises (SMEs) stand as the guardians of this revered tradition. Amongst these small yet pivotal Japanese manufacturing firms, companies are resiliently navigating contemporary hurdles while championing the *monozukuri* spirit.

Osamu Yamaji, President of Toray Opelon-ter — a specialist in industrial products centered on technologies in organic synthetic chemistry, polymer chemistry, and biochemistry — highlights the strategic pivot Japanese firms have made towards niche markets, particularly in highly functional materials.

"The ability to actively develop new opportunities by closely analyzing the market has been generating good results," Mr. Yamaji notes, emphasizing the resilience and adaptability of Japanese firms in the face of international competition and the aftermath of the COVID-19 pandemic.

Masaaki Nishikawa, President of cosmetics firm Saishunkan Pharmaceutical, points to the stringent quality demands of the domestic market as a crucible for excellence. "This has empowered Japanese companies to strengthen their skill set and deliver high levels of quality," Mr. Nishikawa asserts, suggesting that the domestic market rigors have equipped Japanese firms to excel on the global stage.

In the realm of luxury goods, Shun Tsuji, President of KISHUN, sees the current eco-

nomical climate as an unprecedented opportunity. With the yen's weakness attracting foreign tourists, Mr. Tsuji believes that "introducing those tourists to Japanese cultural heritage and craftsmanship" could not only boost sales but also elevate the global appreciation for Japanese jewelry. He also highlights the concept of "Urban Mining," leveraging Japan's accumulated wealth of gemstones and metals as a sustainable resource that underscores the nation's innovative approach to craftsmanship.

Norimasa Kitazawa, President of Pigeon Corporation — a leading global baby care company — addresses the challenge of the "Galápagos effect," where uniquely Japanese products fail to resonate overseas. By focusing on market-specific demands and incorporating emotional storytelling into its products, Pigeon has managed to capture hearts across diverse markets. "Our company has successfully built a reputation for promoting products that meet customer expectations on a global scale," Mr. Kitazawa proudly states, showcasing how empathy and understanding are as much a part of *monozukuri* as technical excellence.

Hidekazu Sakamoto, Chairman of health supplements business Umeken, reflects on Japan's aging demographic, turning what could be seen as a challenge into a strength. With the global fascination with Japan's longevity, it has spiked interest in Japanese health and wellness. "Food and supplements are contributing to this, and with this attention, I think that more people are paying attention to our healthy products," Mr. Sakamoto observes, indicating how demographic trends can actually open new avenues for growth and influence.

In this landscape of innovation and tradition, Akira Sedei, President of Co-medical, captures the essence of how Japanese firms differentiate themselves in the global market. He states:

"The advantage that Japanese companies have is that they are always thinking about what the customers want and then they tailor their products to meet those needs." This customer-centric approach, as Mr. Sedei notes, is central to creating "true fans of our brands," distinguishing Japanese firms from their global counterparts who might chase transient trends.

Yoshio Kawami, CEO of Holbein Art Materials, lends further insight into the evolution of Japanese manufacturing in the face of global market dynamics. He reflects: "It is true that in the past, products labeled as 'made in Japan' sold exceptionally well solely because of their origin. However, in recent times, being made in Japan alone is not sufficient to guarantee strong sales." This acknowledgment by Mr. Kawami underscores a pivotal shift; to maintain relevance and appeal on the international stage, Japanese products must transcend their geographic origins through unparalleled quality or unique added value.

These leaders' insights highlight a critical message: the essence of *monozukuri*, with its deep roots in craftsmanship, quality, and innovation, remains a powerful engine for Japanese manufacturing. Amidst the seismic shifts of the 21st century, Japan's SMEs are not just surviving; they're thriving, innovating, and expanding the global reach of their storied manufacturing culture.

In a world where the pace of change accelerates by the day, Japan's commitment to *monozukuri* — a blend of tradition and forward-thinking — offers a blueprint for sustainable, quality-driven growth. As these companies continue to navigate the complexities of global markets, their dedication to the art and science of making things well ensures that the flame of Japanese craftsmanship burns brighter than ever.

## Umeken: From Centuries of Traditional Kampo Medicine to Skincare Innovation

"Our products push the limits by contributing to health both inside and outside the body."

Hidekazu Sakamoto,  
Chairman, Umeken Co., Ltd.



Founded in 1978, Umeken began as a company researching Japanese Kampo medicine from the oldest health food used in Japan, pickled plums. The traditional techniques for making Japanese Kampo into a ball shape have been handed down from generation to generation for more than 200 years.

The company's chairman, Hidekazu Sakamoto, explains: "This technology allows us to combine as many as 45 different oriental herbs into a single ball, allowing us to offer products tailored to our customers' needs."

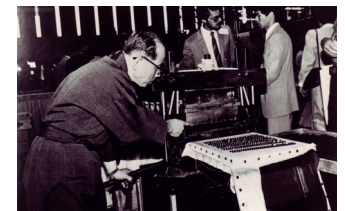
Since its inception, the company has grown internationally and

maintained a presence in overseas markets for over 30 years in regions such as the United States, South Korea, and Southeast Asia.

In 2020, Umeken launched the cosmetics brand Optimo, which delivers skincare products using ingredients grown on its own farm. Mr. Sakamoto adds: "Supplements contribute to health from the inside of the body, but cosmetics contribute to health from the outside," which is the reason behind Umeken's expansion into the skincare industry.

The company has already been exporting its products to Southeast and Northeast Asia, Oceania, and North America, and Umeken aims to expand its business

further and achieve an overseas sales ratio of 50%.



As Japan's population ages, the company hopes to pass on its unique Japanese materials and formulation technology to young people in the country and worldwide.

**UMEKEN**  
<https://umeken.co.jp/en>

# Radiant Reinvention: Saishunkan Pharmaceutical's Pursuit of Cosmetics Excellence

Saishunkan Pharmaceutical leads with high-quality, medically-driven products like Domohorn Wrinkle, emphasizing innovation and excellence for global expansion.



Headquarters and factory in Kumamoto prefecture

Saishunkan Pharmaceutical has built its strategic success on quality, innovation, and global expansion.

"Japanese firms were slow to enter foreign markets," company president Masaaki Nishikawa explains. "However, we've embraced our unique value proposition and expanded overseas while maintaining our commitment to quality."

Despite Japan's demographic shift, Saishunkan has continued



"We're not just creating cosmetics; we're crafting a legacy of radiance, where quality meets innovation."

Masaaki Nishikawa, President, Saishunkan Pharmaceutical Co., Ltd.



Domohorn Wrinkle products, which mark their 50<sup>th</sup> anniversary

to focus on supporting customers through the various life stages.

"We are a company that provides products and services for the skin, body and mind, both domestically and overseas," Mr. Nishikawa says. "By collaborating with companies

familiar with local markets, we can move more quickly and effectively."

Innovation is highlighted by the success of the Domohorn Wrinkle brand.

"We continually evolve this range to address customer



Lashiku brand 'Freeze-dried Rice Porridge' set

needs, integrating traditional Chinese medicine concepts with the latest scientific research," the president states.

And Saishunkan has ambitious goals for the future, as it aims to become a JPY 10 billion company in overseas business, one that clients believe is indispensable, and one that has a vibrant work environment for employees.



再春館製薬所

Saishunkan Pharmaceutical co.,Ltd  
www.saishunkan.co.jp

# Crafting the Threads of Innovation: Toray Opelontex's Vision in Textile Evolution

Toray Opelontex pioneers in the textile industry with its groundbreaking LYCRA® fiber, revolutionizing apparel with invisible yet impactful elasticity, while leveraging partnerships and sustainable practices for a brighter, more resilient future.



Cross section of LYCRA® T400® fiber

Established as a joint venture between the Japanese chemical business, Toray, and the U.S. fiber and technology solutions business, The LYCRA Company, Japanese fiber manufacturer Toray Opelontex is revolutionizing the textile industry with its elastic products.



"Our 'invisible' products create 'visible' value, fulfilling our mission and embodying our slogan: 'Small but Diamond'."

Osamu Yamaji, President, Toray Opelontex

The company has two core products. The first is Polyurethane LYCRA® fiber, a thin and transparent synthetic fiber that can stretch up to seven times. The material was initially used for apparel industries before expanding to many different fields.

The second product, LYCRA® T400® fiber, is a bicomponent fiber in which PET and PTT polymers are joined together within each filament.

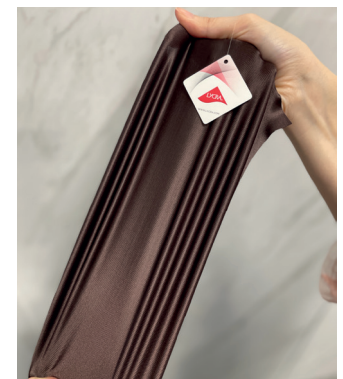
While it has less elasticity than LYCRA® fiber, it provides the right balance between style and comfort.

In recent years, there has been a strong need to establish a recycling system for textile products. Osamu Yamaji, President of Toray Opelontex, points out: "We

are currently developing methods to recover and reuse the components of final fabrics that are collected from customers or shops,



LYCRA® fiber



Fabric with excellent elasticity using LYCRA® fiber having already established the fundamental technology."

Mr. Yamaji emphasizes: "Our greatest mission is continuing to provide social value to customers in Japan in order to embody our slogan, 'Small but Diamond'. LYCRA® fiber is 'invisible' but creates 'visible' value, to the fabric, and then to people, and finally to society."



www.toray-opt.co.jp

# Co-medical: Japan's Comprehensive Beauty Care Company

Founded in 2014, Co-medical offers a complete spectrum of products, from skin care to health supplements, designed to enhance and empower both outer and inner beauty.



"We want to help make people happy, make them enjoy the beauty of themselves."

Akira Sedei, President, Co-medical Co., Ltd.



Co.medical Co.,Ltd.  
www.co-medical.jp

A total beauty brand, Co-medical boasts a comprehensive variety of products designed to leave customers feeling happy and healthy.

"We aim to inspire pride and smiles – so when someone looks in the mirror, they feel a sense of achievement," says the company's president, Akira Sedei.

Be it skin, hair, eye or oral care, Co-medical's world-class products cover every cosmetic need. What's more, the Japanese firm also promotes inner health, thanks to its leading-edge dietary supplements.

For example, the CO Moist Goddess Placenta Drink not only offers outer benefits, but also invigorates the body. "Af-

ter just one bottle, users will notice improved skin hydration and reduced fatigue," Mr. Sedei explains.

Co-medical's products have received awards recognition. Notably, the hugely popular Shonan Beauty Eyelash Serum has been given 'best buy' status by the prestigious cosmetics magazine *LDK the Beauty*.



Shonan Beauty Eyelash Serum

"Our serum is formulated without ingredients that could stain the skin, highlighting our commitment to products that are both high-performing and safe," Mr. Sedei says.

Meanwhile, Co-medical's product range also reflects a growing interest in skin care among male customers. "Our



ANDO

ANDO men's line is meticulously refined to protect the skin from everyday stress," Mr. Sedei reveals.

The result of extensive research into men's skin, ANDO is typical of Japanese companies' dedication to remaining in step with clients' needs.

"We're always thinking about what customers want," Mr. Sedei declares. "We tailor our products to meet those requirements."

# Bringing Color to Life

With over 100 years of history, Holbein has the ability to meet specific artistic needs.



"We support the fusion of people and people, cultures and cultures, and contribute to the prosperity of future society."

Yoshio Kawami, CEO, Holbein Art Materials Inc.

In a world where the arts and crafts sector faces challenges from digital creations, Holbein remains an emblem of tradition and innovation, maintaining an unwavering commitment to quality products.

"Being made in Japan alone is no longer sufficient to guarantee strong sales," notes the company's CEO, Yoshio Kawami.



Lightfastness testing

Holbein's success, he emphasizes, lies in offering high-quality products that go beyond the allure of the "Made-in-Japan" label. With a history rooted in scarcity, the company's founders sought exceptional materials and ways to stand out from the crowd.

The company's dispersion technology, a groundbreaking innovation, allows it to work with more than 400 different pigments.

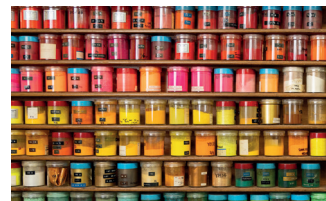
"Our technology team, typically from a chemistry background,

is responsible for developing this," Mr. Kawami explains, highlighting the meticulous craftsmanship involved in creating Holbein's Vernét oil colors, a fusion of traditional and modern materials.



Three roll mill (Vernét oil color)

The SQ-T Cat's Tongue watercolor brush stands as a testament to Holbein's dedication to meeting artists' needs. Developed in collaboration with a partner company, it addresses challenges related to traditional brushes. "Our industry, the paintbrush market, is small but with the right investment, replicating the properties of animal hair with synthetic fibers would be relatively straightforward," the CEO adds.



Standard pigments

Holbein's plans extend beyond Japan, with the company actively seeking overseas collaborations and driving forward with the younger generations leading on the improvements.

"We believe art is an integral part of a well-rounded education and our mission is to empower artists to convey their unique visions effectively," Mr. Kawami says, pointing to relationships in the U.S., China and South Korea.

"Looking ahead, we view the next seven years as a significant milestone in our ongoing journey of development," Mr. Kawami concludes. "One that paves the way for our endeavors far into the future."

**HOLBEIN**

www.holbein.co.jp

# KISHUN Inc.: Pioneering Sustainability in Japan's Jewelry Landscape

With its eco-conscious ethos and global outreach, trailblazing KISHUN Inc. is revolutionizing Japan's jewelry industry, crafting a new narrative in the glittering world of adornment.



"Our approach in business is B2B2C, so in that sense a reliable local partner outside of Japan is vital to our business operations."

Shun Tsuji,  
President, KISHUN Inc.

In the glistening landscape that is Japan's jewelry industry, KISHUN Inc. stands as a shining example of innovation and sustainability. Established in 2014

by Shun Tsuji, the company has carved a niche for itself by offering a holistic approach to the sourcing, manufacturing, and selling of colored stones and diamonds. With a deep-rooted connection to Japan's cultural heritage and a forward-thinking mindset, KISHUN is poised to lead the charge in transforming the jewelry landscape.

Mr. Tsuji's journey into the world of jewelry was not merely a business venture but a passion project rooted in his family's legacy in the kimono industry. Recognizing the intrinsic link between traditional attire and ornamental adornments, Tsuji saw an opportunity to bridge the gap between the two worlds. He notes: "People often choose a kimono to complement their jewelry and vice versa, so as a kimono seller, the idea of becoming a jeweler myself has always been in the back of my mind."



The company's ethos is centered around the concept of "Urban Mining," a sustainable approach to sourcing precious gemstones and diamonds from secondhand sources. This not only reduces environmental impact but also highlights the craftsmanship and artistry inherent in Japanese jewelry. By breathing new life into discarded pieces, KISHUN aims to challenge perceptions and promote a culture of conscious consumption.

In recent years, Japan's jewelry industry has faced significant challenges, including demographic shifts and changing consumer preferences. With an aging population and a shrinking workforce, there is a pressing need for innovation and adaptation. Mr. Tsuji acknowledges these challenges, stating: "There are a lot of problems because of this population decline and the increase in elderly people... We cannot employ enough people on a year-to-year basis."

To address these challenges, KISHUN has embraced technological advancements and strategic partnerships to expand its reach both domestically and internationally. The company's foray into e-commerce with the launch of Pocket-By-Kishun has opened up new avenues for growth, particularly among younger demographics. By leveraging online platforms and digital marketing strategies, KISHUN has been able to tap into the burgeoning demand for affordable, yet stylish jewelry options.

Moreover, KISHUN's participation in international events

such as the JCK Jewelry Exhibition in Las Vegas underscores its commitment to global expansion. Mr. Tsuji explains: "We would like to continue participating in such events [around the world], especially those related to jewelry."

In addition to its commercial endeavors, KISHUN is also dedicated to promoting ethical practices and social responsibility within the industry. Mr. Tsuji emphasizes the importance of upholding ethical standards in sourcing raw materials and manufacturing processes, particularly in light of issues such as child labor and environmental degradation associated with traditional mining practices.



Looking ahead, Mr. Tsuji envisions a future where KISHUN continues to push the boundaries of innovation and sustainability in the jewelry industry. With a focus on quality craftsmanship, environmental stewardship, and community engagement, the company is poised to shape the future of Japanese jewelry for generations to come.

As Mr. Tsuji reflects on his aspirations for the company's legacy, one thing is certain: KISHUN Inc. is not just a business; it's a beacon of hope and inspiration for a brighter, more sustainable future.



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